

South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The unemployment rate for the Twin Falls-Jerome Micropolitan Statistical Area dropped to 2 percent in July, and the peak employment season is still ahead with potato, sugar beet and other harvests. The rate dropped three-tenths of a percentage point from June as tourism, agriculture and fire fighting absorbed new entrants such as students into the summer job market. The unemployment rate was a full 1.1 percent below July 2006, reflecting economic development and population growth in the two counties. Major projects like the LDS Temple, St. Luke's Magic Valley Regional Medical Center, a Wal-Mart supercenter, the Twin Falls High School, three new hotels, the Cross Roads Pointe development, the Jayco industrial park, a new theatre complex, a new restaurant/banquet hall, a new office building on the canyon rim and the bio-diesel plant in Buhl are moving toward completion.

WILDFIRES ERUPTING

Range and forest fires are scarring large areas of the region, but they are generating jobs and demand for goods. An estimated 4,000 people directly involved in fighting Idaho fires have come from as far West Virginia as well as Alaska and California, and earlier in the summer there were firefighters from Puerto Rico. The 46,087-acre Castle Rock Fire in Ketchum, which was announced 100 percent contained Sept. 5, had 1,670 firefighters working on it. There are larger fires in the state as well — one exceeds 200,000 acres. Also involved in wildfire suppression are:

- ◀ Trainers who work with the firefighters before fire season to ensure they know what to do and how to do it. These trainers are usually veteran firefighters, helitack crew members, smoke jumpers or hot shots crew members who have a wealth of experience to share with young people who are paid well to man fire lines during the summer so they can either return

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Jul 2007*	Jun 2007	Jul 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	48,950	48,730	49,990	0.5	-2.1
Unemployment	970	1,120	1,530	-13.4	-36.6
% of Labor Force Unemployed	2.0	2.3	3.1		
Total Employment	47,980	47,610	48,460	0.8	-1.0
<i>Unadjusted</i>					
Civilian Labor Force	49,180	49,180	49,840	0.0	-1.3
Unemployment	850	1,010	1,520	-15.8	-44.1
% of Labor Force Unemployed	1.7	2.1	3.0		
Total Employment	48,330	48,170	48,320	0.3	0.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	40,700	40,760	39,220	-0.1	3.8
<i>Goods-Providing Industries</i>	7,890	7,420	7,460	6.3	5.8
Natural Resources & Mining	30	40	40	-25.0	-25.0
Construction	2,640	2,540	2,410	3.9	9.5
Manufacturing	5,220	4,840	5,010	7.9	4.2
Food Manufacturing	2,990	2,610	2,890	14.6	3.5
Other Manufacturing	2,230	2,230	2,120	0.0	5.2
<i>Service-Providing Industries</i>	32,810	33,340	31,760	-1.6	3.3
Trade, Transportation & Utilities	10,070	10,070	9,530	0.0	5.7
Wholesale Trade	2,010	2,000	1,900	0.5	5.8
Retail Trade	6,000	5,990	5,770	0.2	4.0
Utilities	150	150	170	0.0	-11.8
Transportation & Warehousing	1,910	1,930	1,690	-1.0	13.0
Information	680	680	650	0.0	4.6
Financial Activities	1,690	1,670	1,740	1.2	-2.9
Professional & Business Services	4,890	5,040	4,980	-3.0	-1.8
Educational & Health Services	5,320	5,320	5,000	0.0	6.4
Leisure & Hospitality	3,320	3,300	3,220	0.6	3.1
Other Services	1,550	1,490	1,530	4.0	1.3
Government Education	2,800	3,290	2,610	-14.9	7.3
Government Administration	2,490	2,480	2,500	0.4	-0.4

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

to school in the fall or take a different seasonal job during the winter.

- ◀ Analysts who assess and estimate what will happen the next year during high fire season and what resources need to be amassed.
- ◀ Pilots and ground support personnel who ensure safe operations of the air tankers, airplanes and helicopters that are critical in supply-

ing temporary tent towns and supporting the workers on the fire lines.

- Communications and dispatch personnel who are key to ensuring the safety of firefighters by keeping them updated on weather conditions and providing them a link to rescue if they get in trouble.
- Logistics personnel who make sure firefighters are equipped, fed, hydrated and as comfortable as possible when they are not on the line.
- Private companies under federal contracts to supply a wide array of goods and services needed to support fire suppression efforts. These contracts cover everything from food, drinks, tents, sleeping bags and tools to special hearing tests for those working around the noisy airplanes and tankers. The firefighter's gear list includes fire resistant shirt and pants, helmet, eye protection, gloves, leather boots, fire shelter, sleeping bag, water, rations, hand tools including the combo ax and a pulaski shovel and the hoe-like tool called a McLeod. Government and state workers are needed to review the proposals, make decisions on the contracts and ensure they are met.
- Remediation personnel who are charged with reseeding and restoring the land after a wildfire has been 100 percent contained. The goal is to restore original habitat as soon as possible so backcountry users like hunters, anglers, hikers and campers can again get on the ground.

In 2006, the United States spent about \$1.3 billion fighting fires on 9.8 million acres, about \$133 per acre. It was a record breaking year, and year-to-date figures shown in South Central Table 2 suggest it will remain the record year. A study by the National Interagency Fire Center in Boise concluded that monitoring fires costs \$43 an acre compared to fighting fire at up to \$250 an acre, not including the possible death of firefighters or loss of equipment. Because of budget constraints, a lack of trained personnel and equipment and the potential for human injury or death, land management agencies are letting fires burn where there is no loss to private land, personal property or human life under the Wildland Fire Use concept. There are risks, just as with controlled burns, should the fire get out of control and threaten property. Lightning-caused fires have naturally rid vast expanses of forests of diseased trees and dry fuel for centuries. But as development moves further into forests, the ability to let fire burn is restricted, especially when circumstances are compounded by drought.

To protect its investment, the AIG Private Client Group brought in private fire crews to protect property it has insured that was being threatened by the Castle Rock fire near Ketchum. This was the first time private-party firefighters were sent to a wildfire in Idaho, but the Forest

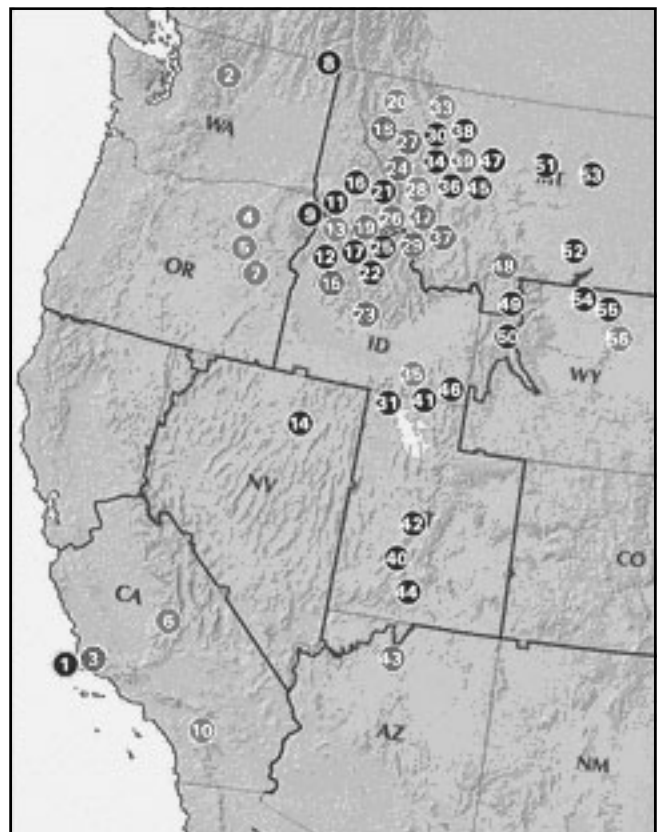
South Central Idaho Table 2: Number and Acres of Idaho Wildfires, 2000 to 2007*

Year	# of fires	# of acres
2007	63,618	6,556,419
2006	77,808	6,963,448
2005	43,763	6,786,445
2004	54,088	6,501,003
2003	43,133	2,549,511
2002	60,406	6,191,485
2001	56,588	2,913,000
2000	70,000	5,769,021

*Each year covers Jan. 1 to Aug. 23

Source: National Interagency Coordination Center

Service in Idaho did not turn away the help. The crews were there to protect the private land and property insured with AIG and valued at over a \$1 million with insurance premiums exceeding \$10,000 a year. The Castle Rock blaze caused mandatory evacuations in parts of Ketchum. As of Sept. 5, the fire had burned 72 square miles and was 100 percent contained, though the fire was not completely out. All evacuation notices were lifted. Idaho had 13 fires burning including one Wildland Fire Use (WFO), which is located 44 miles northeast of Yellow



Locations of large Incident fires in the West as of Aug. 23, 2007.
Source: National Interagency Fire Center.

Pine in the Payette National Forest. Idaho and Montana combined have 75 percent of the current acres burning across the nation, or 1.35 million acres versus the nation's current status at 1.8 million acres, as shown in the map on page 23. To view this map in color, showing the names and locations of all wildfires in the United States, log onto the National Interagency Fire Center's Web site at www.nifc.gov. For a direct link to the map, type the following URL into the Web browser.

http://activefiremaps.fs.fed.us/lg_fire2.php

AREA DEVELOPMENTS

BLAINE COUNTY

- Economic development comes in all shapes and sizes. For example a couple gave \$250,000 in stock shares to the city of Ketchum because a local police officer helped them find their car that had their poolies in it. The city council has earmarked the money for public safety expenditures
- Plans for Warm Springs Ranch Resort, a large scale hotel, recreation and residential development, were presented to the Ketchum Planning and Zoning Commission last month. This 77-acre five-star resort could potentially compare to Sun Valley Lodge with a 75- to-100-room hotel, 30 condos, 30 fractional units, 50 to 70 homes, a 25,000-square-foot spa, 12,000 square feet of meeting space, two to three estate lots with homes limited to 12,000 square feet, a high end restaurant and a remodel of the existing Warm Springs Ranch Restaurant. The developers want to keep much of the land in open space. The new owner is a Netherlands native who now lives in Santa Barbara, Calif. The scale of the resort creates concerns for residents of Ketchum since one of its largest residential areas is adjacent to Warm Springs Ranch. The roads are already fairly congested during peak periods. The resort argues a hotel will generate less traffic than condos. Up until last year, the site was a well-known restaurant, golf course and tennis court. The proposal also includes possible on-site employee housing for the hotel's anticipated 300 employees to provide affordable housing and reduce traffic.
- Another proposed unit development, The Ketchum Lodge, is a planned unit development that encompasses two city blocks and would include a spa, ample meeting space, residential homes, fractional and whole units and employee housing. The project will have a European plaza feel that would be enhanced by the inclusion of the Sun Valley Center for the Arts' new building in the same block. The developers anticipated parking problems, but the question is whether 147 underground parking spots will be sufficient. This project is a joint venture between an Aspen, Colo., developer and the Simplot family who owned the parcel of ground and would become equity owners with Centurian Partners. The hotel operator has not been selected. Annual occupancy rates for the Ketchum area have been fairly low at around 50 percent while nationally the 2006 average occupancy rate was 62 percent, according to Smith Travel Research.
- Affordable housing continues to be an issue for the work force in Blaine County. Agave Place, a planned development north of Hailey intended to be affordable, but the 12 units have yet to sell. The question is whether sale terms or the issue or the price is still too high. There are six one-bedroom homes listed at \$173,500 and six two-bedroom homes at \$262,500. This is considerably less than the median home price for 2006 in Sun Valley of \$735,000. However, it is still a leap for the majority of individuals working in south central Idaho, where the median wage for 2006 was \$26,333, or \$12.66 an hour.
- Bellevue will soon have an additional \$15,000 per year, and cell phone users will see a reduction in dropped calls when a 100 foot cell tower is erected in the downtown core. Edge Wireless will be the main lessee, but other carriers are expected to use the tower as well. The height variance had originally been approved after emergency, fire and police personnel raised questions about safety risks when there is no cell phone access. It is possible that the tower will be designed to resemble a pine tree, but that would be more expensive and reduce the payment to the city.
- Lava Lake Land and Livestock has been very successful integrating conservation with business sense. The operation has grazing permits on 730,000 acres. It believes it makes good sense to be good neighbors with the wolf packs in the areas bordered by the Pioneer and Boulder mountains and the Snake River plains. Their strategy includes partnering with the Idaho Department of Fish and Game to get the correct radio frequencies of individual collared wolves in the area. Armed with radio telemetry equipment, they monitor the wolves' movements and make their decisions on where to graze. The sheep operations also adapted an idea from Mongolia and Tibet herders, who surround a half acre with an electric fence at night to keep the sheep in and the wolves out. The night pens are solar-powered and have a single strand wire with 18 inch ribbons hanging between 3 foot tall fiberglass poles. They are effective against wolves because most attacks happen at night. They also use rubber bullets and provide more Great Pyrenees dogs to protect the bands of sheep. The last loss of livestock was in 2005.
- Carey is host to the Blaine County Fair each year, and this year included a new covered show arena

that was constructed by Peterson Construction of Twin Falls. The local 4-H youth helped level and landscape the area around the arena in preparation for the fair that occurred in early August.

TWIN FALLS COUNTY

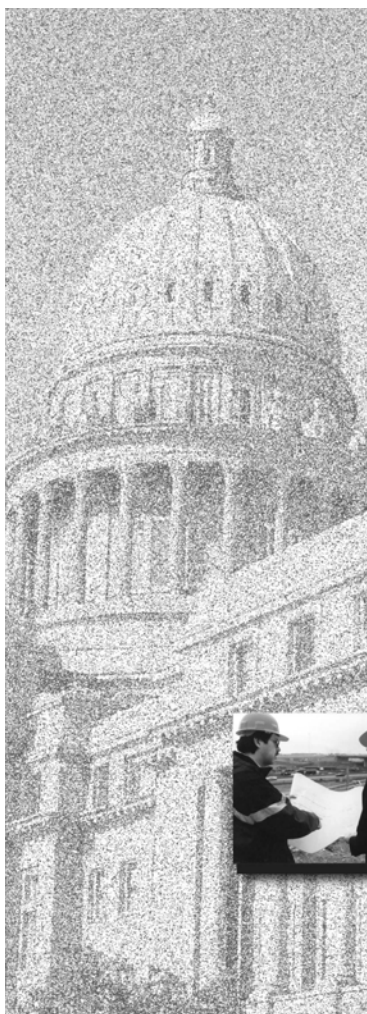
- Groundbreaking was held Aug 18 in Murtaugh — an agricultural community located halfway between Twin Falls and Burley — for a new subdivision. The U.S. Census Bureau recently estimated the Murtaugh population at 140, ranking it 179 out of the 200 incorporated cities and towns in Idaho. Growth has been flat, estimated at 0.7 percent between 2000 and 2006. This new subdivision will provide 42 lots at least an acre in size with city utility services. Hoffco of Burley intends to start infrastructure work immediately as some lots are pre-sold.
- North Side Canal Co. announced it would stop supplying water to irrigators for one week — Aug. 31 to Sept. 8 — to ensure there would be sufficient water nearer to harvest. However, regional rains have added an additional 10,000 acre feet to the Eastern Snake Plain Aquifer output.
- A new exercise and dance studio will open in Buhl, offering a wide range of classes for all ages. New Energy Dance and Fitness will offer hip hop, tumbling, jazz, tap, aerobics, yoga and Pilates. Classes are scheduled to start Sept. 17.
- A groundbreaking ceremony was held in August for the new biodiesel plant that will be located at the former Coors malting barley silos. The development will be completed over five phases and will include a new corporate headquarters for Diversified Fuels, an operational pilot manufacturing plant for canola oil and biodiesel fuel, and research and development facilities. Gov. C.L. "Butch" Otter attended the ceremony and expressed approval of both the economic development aspect of the project, while simultaneously reducing dependence on foreign oil. Diversified Fuels, in conjunction with its sister company, Disco Associates, intends to employ 67 workers in the beginning phases of the build-out. However, projections stretch to 600 workers when all phases are completed. The current major manufacturer in Buhl is Seneca, which employs over 500 during peak corn packing season.
- Jade Restaurant, a Chinese food operation in Twin Falls for years, has a new owner and cuisine. Riley Creek Restaurants has moved out of its Hagerman and Filer locations to consolidate operations on the Blue Lakes

corridor. They will continue offering their specialties such as Key Lime Shrimp, pasta and steaks but will now be able to provide a meeting room for service clubs and business luncheons.

MINIDOKA AND CASSIA COUNTIES

- Exit Realty marked the opening of its Burley office last month. This is a locally-owned franchise of Exit Realty Corp. International involving people who have been professionals in the area for years.
- Yakety Yak Wireless, one of the fastest growing wireless franchises in the country, has opened a new store in Burley. It offers a wide array of cell phone technology and brands plus a recycling program which provides cash or credit in exchange for old phones. This is a way to lessen the impact of e-waste, which is a growing concern for many communities.

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